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March 8, 2006

**EX PARTE**

Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**Re: Implementation of Section 621(a)(1) of the Cable Communications Policy Act of 1984 as Amended by the Cable Television Consumer Protection and Competition Act of 1992, MB Docket No. 05-311**

Dear Ms. Dortch:

I am writing to provide additional detail on the duration of the delays that result from the local franchise process.

Verizon previously demonstrated that it routinely takes 6 to 12 months to obtain a competitive franchise, and that some pending negotiations have been in progress for as long as 19 months. Additional details relating to Verizon's experience to date further bear out the delays engendered by the franchise process:

1. With respect to the 28 negotiations (outside of Texas) that were ongoing as of 15 months ago – that is, as of December 1, 2004 – Verizon has received only 6 franchises to date, and three of those six took 15 months or more to complete. In other words, nearly 80 percent of those negotiations pending 15 months ago are still not complete, and of the few that are complete, half of them took 15 months or more.
2. Similarly, of the 95 negotiations that were pending as of March 1, 2005, only 10 franchises have since been granted.
3. With respect to the 238 negotiations that were ongoing as of six months ago – that is, as of September 1, 2005 – Verizon has received only 15 franchises to date.
4. All tolled, of the 301 franchise negotiations that Verizon currently has underway, 22 have been dragging on for 15 months or more, while 85 have been ongoing for more than a year and 223 for more than six months.

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Thus, while Verizon has been able to negotiate franchise agreements relatively quickly in a few locations, delay is clearly the rule rather than the exception. Furthermore, as explained below, additional steps are generally required before Verizon can even initiate the negotiation process in a particular jurisdiction, and when all of those steps are considered, the overall process frequently takes 18 to 24 months.

As in our previous calculations, we have measured the start date of negotiations from the time Verizon initiated the franchise process in each jurisdiction, rather than the date that Verizon filed a formal franchise application. This approach is consistent with how the franchise process has worked in Verizon's experience. In most jurisdictions, substantial negotiations take place – and are typically required by local authorities – well before Verizon files a formal franchise application. In these jurisdictions, a franchise application is not something that initiates negotiations, but is instead largely a formality that is filed after negotiations are substantially complete, and that contains terms already agreed upon by both parties.

Finally, even measuring from the time that Verizon initiates negotiations understates the true delay that Verizon experiences. This is because Verizon generally has to spend substantial time preparing for each individual municipality before it contacts a particular LFA. For example, Verizon must familiarize itself with local ordinances and other applicable regulations, obtain and review the incumbent's franchise agreement, and draft a proposal that is likely to appeal to the individual LFA based on these pre-existing conditions. These preliminary steps typically add months to the overall process of obtaining a franchise.

If you have any questions, you may contact me at 202 515-2535.

Sincerely,

A handwritten signature in black ink, appearing to read "Marlene H. Dortch". The signature is fluid and cursive, with a large initial "M" and "D".